

**ANZO HOLDINGS BERHAD (36998T)**  
**(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of Preparation and Significant Accounting Policies**

The condensed interim financial statements for the period ended 30 June 2021 are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group audited financial statements for the year ended 30 September 2020.

The accounting policies applied by the Group in this condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 September 2020, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS which are effective beginning 1 January 2020

On 16 July 2020, the Company announced the change of financial year end from 31 July to 30 September. The first set of audited financial statements reflecting the change shall be made from 1 August 2019 to 30 September 2020 covering a period of 14 months. Thereafter, the subsequent financial years of the Company shall end on 30 September.

**A2 Audit Qualifications**

The auditors’ report on the financial statements for the year ended 30 September 2020 was not qualified.

**A3 Seasonal or Cyclical Factors**

The operations of the Group were not significantly affected by seasonal and cyclical factors.

**A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows because of their nature, size or incidence for the financial period under review.

**A5 Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**A6 Debt and Equity Securities**

Saved as disclosed below, there were no cancellations, repurchases, resale and repayment of debt or equity securities for the financial period ended 30 June 2021:

	Units	
	Ordinary Shares	Warrant B 2013/2023
As at 1 Oct 2020	892,930,960	32,991,025
Private placement	223,232,700	-
As at 30 Jun 2021	<u>1,116,163,660</u>	<u>32,991,025</u>

**A7 Dividend Paid**

There were no dividends paid for the current quarter.

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**A8 Segment Revenue and Results**

The segmental analysis for the Group for the financial period ended 30 June 2021 is as follows:-

	<b>Timber services</b>	<b>Property Development &amp; construction</b>	<b>Trading</b>	<b>Investment &amp; others</b>	<b>Adjustment &amp; Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External sales	2,765	1,028	19,508	-		23,301
Intersegment sales	-	-	-	315	(315)	-
	<b>2,765</b>	<b>1,028</b>	<b>19,508</b>	<b>315</b>	<b>(315)</b>	<b>23,301</b>
<b>Results</b>						
Segment results	(392)	(10,618)	107	(1,285)		(12,188)
Interest income	82	2	-	121		205
Interest expense	(13)	(1)	-	-		(14)
Profit/(loss) before taxation	(323)	(10,617)	107	(1,164)		(11,997)
Taxation	15	-	-	43		58
Net profit/(loss)	<b>(308)</b>	<b>(10,617)</b>	<b>107</b>	<b>(1,121)</b>		<b>(11,939)</b>
Segment assets	27,754	92,540	22,562	151,546	(142,005)	152,397
Segment liabilities	30,483	116,114	16,836	1,213	(152,053)	12,593

**A9 Material Events Subsequent to the End of the Period**

There were no material events subsequent to the end of the current quarter.

**A10 Changes in Composition of the Group**

There have been no changes in the composition of the Group for the financial period ended 30 June 2021.

**A11 Changes in Contingent liabilities/Contingent assets**

There were no material changes in contingent liabilities or assets since the last annual balance sheet date.

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**A12 Capital commitment**

There were no capital commitments incurred by the Group to any parties as at 30 June 2021.

**A13 Significant Related Party Transactions**

The significant related party transactions occurred during the financial period ended 30 June 2021 and outstanding sum brought forward from previous related party transaction are disclosed below:

	<b>Current quarter ended</b>	<b>Financial period ended</b>
	<b><u>30/6/2021</u></b>	<b><u>30/6/2021</u></b>
<b>Recurrent related party transaction with a Company in which a director has substantial financial interest previously:</b>		
KL Northgate Sdn Bhd	RM	RM
- Refundable deposit for leasing of office space	-	2,154,655

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**ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1 Review of performance**

	Individual Quarter (RM'000)	Year to Date (RM'000)
	30/6/2021	30/6/2021
Revenue	14,159	23,301
Gross Profit/(Loss)	306	551
Profit/(loss) before tax	(10,132)	(11,997)

As announced to Bursa Malaysia Securities Bhd on 16 July 2020, the Group has changed its financial year end from 31 July to 30 September, as such, there are no comparative figures for the preceding year corresponding quarter.

For the quarter under review, the Group achieved Revenue and Gross Profit of RM14 million and RM0.3 million respectively mainly due to the contribution made from trading division, which provided RM12.3 million turnover during the quarter.

The timber division was badly affected by the Movement Control Order (MCO) which came into effect from Jun 2021 as the division was not allowed to operate during the period. The division only contributed RM0.8 million turnover during the period.

The Group reported loss before tax of RM10.13 million during the quarter mainly due to impairment loss for other debtor amounted to RM9.8 million.

For the year to date, the Group achieved RM23.3 million revenue, RM0.55 million gross profit and loss before tax of RM12 million.

**B2 Comparison with immediate preceding quarter**

	Individual Quarter (RM'000)		Var (%)
	30/6/2021	31/3/2021	
Revenue	14,159	5,040	181
Gross Profit/(Loss)	306	154	99
Profit/(loss) before tax	(10,132)	(927)	62

For the current quarter, the Group achieved higher revenue and gross profit mainly due to higher sales from trading division as compare to the preceding quarter. However, the loss before tax has increased to RM10.13 million as a result of impairment loss for other debtor amounted to RM9.8 million in the current quarter.

**B3 Prospects**

The COVID-19 pandemic has presented significant challenges to the Group's operations for the current financial year considering the country is in various stages of lockdown since January 2021. The Group will continue to remain vigilant and steadfast in managing its existing businesses and revising the business plans to mitigate any potential negative impact arising from the COVID-19 pandemic. The Group will continue to focus on its operational efficiency and productivity so that satisfactory results can be achieved for the current financial year.

**B4 Variance of Actual Profit from Forecast Profit/Guarantee**

The Group did not issue any profit forecast or profit guarantee.

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**B5 Taxation**

	Current Quarter 30 Jun 2021	Financial Period ended 30 Jun 2021
	RM	RM
Current income tax	-	-
Deferred Tax	(19,453)	(58,359)
	<b>(19,453)</b>	<b>(58,359)</b>

**B6 Profit/(Loss) on Sale of Investments or Properties**

There was no disposal of investments or properties for the current quarter and financial period to date.

**B7 Purchase or Disposal of Quoted Securities**

(a) There was no purchase or disposal of quoted securities for the current quarter and financial period to date.

(b) There was no investment in quoted securities as at the end of the financial period.

**B8 Status of Corporate Proposals**

There were no corporate proposals that have been announced but not yet completed during the period under review.

**Utilisation of Proceeds From Private Placement**

As at 30 June 2021, the proceeds raised from the Private Placement which was completed on 25 Jan 2021 were utilized as follows:

Purpose	Expected time for of frame utilisation of proceeds	Proposed utilisation RM	Actual utilisation RM	Deviation RM
Working Capital	Within 12 months	14,000,000	13,051,974	948,026
Administrative and operating expenses	Within 12 months	2,510,000	848,464	1,661,536
Defraying expenses	Immediate	455,685	351,678	104,007
Total		16,965,685	14,252,116	2,713,569

**B9 Group Borrowings and Debts Securities**

Group's borrowings as at 30 June 2021 were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	79	570	649
	79	570	649

The Group borrowings are all denominated in Ringgit Malaysia

**B10 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk at the date of this report.

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**B11 Changes in Material Litigations**

There is no material litigation since the last annual balance sheet date of 30 September 2020.

**B12 Dividends - Proposed, Recommended or Declared**

There were no dividends proposed, recommended or declared for the period ended 30 June 2021

**B13 Profit/(Loss) Per Share**

Profit/(loss) per share is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the period.

	<b>Ind Quarter Ended 30/6/2021</b>	<b>Cumulative Quarter ended 30/6/2021</b>
Profit/(loss) attributable to ordinary equity holders (RM)	(10,112,860)	(11,939,019)
Weighted average number of shares	1,116,163,660	1,020,492,503
Adjustment for assumed exercise of warrant and SIS	-	-
Adjusted weighted average number of ordinary shares issued and issuable	1,116,163,660	1,020,492,503
Earning per share (sen)		
<b>Basic</b>	<b>(0.91)</b>	<b>(1.17)</b>
<b>Diluted</b>	<b>(0.91)</b>	<b>(1.17)</b>

**B14 Profit/(Loss) before tax**

	<b><u>Current Quarter ended</u> 30/6/2021</b>	<b><u>Financial Period ended</u> 30/6/2021</b>
Profit/(loss) before tax is arrived at after charging/(crediting):	RM	RM
Interest Expense	8,325	13,965
Depreciation - PPE	282,790	921,154
Depreciation – Right of Use of Assets	123,383	370,150
Impairment loss on debtors	9,779,350	9,779,350
Gain on disposal of PPE	(130,000)	(130,000)
Fair value gain/(loss) on investment	32,377	(106,947)
Interest Income	(74,370)	(204,314)
Other income including investment income	(43,073)	(82,603)